

Message Text

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44

ACTION EA-14

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INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

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FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 9454

INFO AMCONSUL HONG KONG

USLO PEKING

UNCLAS BANGKOK 0192

E.O. 11652: N/A

TAGS: PFOR, ETRD, TH, CH CHARTCHAI ON OIL FROM CHINA

CINCPAC

DEPUTY FOREIGN MINISTER CHARTCHAI CHUNHAWAN VISITED CHINA IN LATE DECEMBER 1973. FOLLOWING IS AN UNOFFICIAL USIS TRANSLATION OF EXCERPTS FROM HIS DECEMBER 29 NEWS CONFERENCE ON OIL PURCHASE ARRANGEMENTS WITH THE PRC AND HIS MEETING WITH CHOU EN-LAI CHARTCHAI I WENT TO CHINA THIS TIME AS HEAD OF A PARTY OF TRADE REPRESENTATIVES... WE CONCLUDED AN AGREEMENT TO BUY THE FIRST CONSIGNMENT OF 50,000 TONS OF OIL FOR 1974... THOUGH I AM NOT ABLE TO DISCLOSE THE PRICE HERE, I WISH TO INFORM YOU THAT IT IS A "FRIENDSHIP" PRICE.

REPORTER: IS THE PRICE LOWER THAN THAT IN WORLD MARKETS?

CHARTCHAI: IT IS MUCH LOWER THAN THAT IN WORLD MARKETS...

WE FLEW TO PEKING... ON ARRIVAL WE WERE MET BY MR. HSIAO

FANG CHOU, VICE CHAIRMAN OF THE COUNCIL FOR PROMOTION OF

INTERNATIONAL TRADE... THE NEXT DAY WE PAID A VISIT TO MR.

WANG YAO-TING, CHAIRMAN OF THE COUNCIL FOR THE PROMOTION OF

INTERNATIONAL TRADE... WE ALSO MET SEVERAL PROMINENT OFFI-

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CIALS, SUCH AS THE DEPUTY FOREIGN MINISTER AND THE DEPUTY

MINISTER OF FOREIGN TRADE CHEN CHIEH... WE HELD NEGOTIATIONS ON THE PURCHASE OF DIESEL OIL, AND THE NEGOTIATIONS WERE HELD AT A TIME WHEN THE PRICE OF OIL WAS INCREASING BY LEAPS AND BOUNDS, WHEN THE SITUATION WAS FAR FROM NORMAL. BUT ALL CHINESE OFFICIALS TAKING PART IN THE NEGOTIATIONS, ESPECIALLY ALL CABINET MINISTERS, WELCOMED US WARMLY AND HELD TALKS AS IF WE WERE RELATIVES AND MEMBERS OF THE SAME FAMILY. ON THE LAST DAY... PREMIER CHOU EN-LAI WELCOMED US WARMLY AND BROUGHT SEVERAL MEMBERS OF HIS CABINET TO MEET US ALSO. REPORTER: WERE ALL MEMBERS OF YOUR PARTY PRESENT AT THIS MEETING:

CHARTCHAI: EVERY MEMBER OF OUR PARTY WENT TO THIS MEETING. ON THE SIDE OF THE CHINESE, THERE WAS PREMIER CHOU EN-LAI, DEPUTY PREMIER LEE SIEN-LIEN, THE DEPUTY PREMIER (FINANCE), AND THE DEPUTY FOREIGN MINISTER WHO HAS PLAYED A MOST IMPORTANT ROLE IN THE UNITED NATIONS AND WHOM I HAD MET WHEN I WENT TO ATTEND THE U.N. GENERAL ASSEMBLY. DURING NEGOTIATIONS HELD ON THE PURCHASE OF OIL, NO AGREEMENT COULD BE REACHED REGARDING THE PRICE AT FIRST, BUT PREMIER CHOU EN-LAI DECIDED FOR A "FRIENDSHIP" PRICE TO BE GIVEN TO THAILAND, THUS HE HELPED OVERCOME THE PROBLEM FACED REGARDING THE PRICE.

REPORTER: IS THE PRICE HIGHER OR LOWER THAN THAT OF SAUDI ARABIA?

CHARTCHAI: IT IS A DIFFERENT MATTER ALTOGETHER BECAUSE THE OIL SOLD BY SAUDI ARABIA IS CRUDE OIL BUT THE OIL SOLD BY CHINA IS OIL THAT HAS BEEN REFINED ALREADY. I HAD THE OPPORTUNITY TO CONVERSE WITH PREMIER CHOU EN-LAI FOR TWO HOURS AND WE TALKED ON MANY SUBJECTS. HE DID NOT EVEN MENTION ANY ACTION IN RETURN ON THE PART OF THAILAND AT ALL. HE SAID THAT CHINA WILL SELL OIL TO THAILAND, THAT "WE WILL HELP EACH OTHER MUTUALLY."

REPORTER: WILL LONG-RANGE NEGOTIATIONS BE HELD FOR THE PURCHASE OF OIL IN THE FUTURE?

CHARTCHAI: WE HAVE OBTAINED A FIRST CONSIGNMENT OF OIL. FURTHER CONSIGNMENTS WILL DEPEND ON THE PRICE IN WORLD MARKETS. THIS FIRST CONSIGNMENT OF 50,000 TONS HAS BEEN SOLD US AT A "FRIENDSHIP" PRICE...

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REPORTER: WERE ANY TALKS HELD ON SUPPLIES OF CRUDE OIL?

CHARTCHAI: NO TALKS WERE HELD ON CRUDE OIL. WE ASKED TO BUY DIESEL OIL ONLY... IN REGARD TO TRANSPORTATION OF THIS OIL, A GROUP OF REPRESENTATIVES OF THE FUEL OIL ORGANIZATION WILL GO AND HOLD NEGOTIATIONS IN HONG KONG IN ORDER TO REACH AGREEMENT ON THE SIZE OF THE SHIPS AND THE PRICE. AGREEMENT HAS BEEN REACHED AND SIGNED ALREADY ON THE PRICE AND THE AMOUNT OF THIS FIRST CONSIGNMENT OF OIL; ONLY FORMALITIES AND THE METHOD

OF TRANSPORTATION STILL REMAIN TO BE AGREED ON.

REPORTER: WHOSE SHIPS WILL BE USED FOR THE TRANSPORTATION OF THE OIL?

CHARTCHAI: THAT WILL DEPEND ON WHICH SHIPPING COMPANY QUOTES THE LOWEST PRICE, THE PURCHASE OF THIS OIL THIS TIME WAS CONCLUDED BETWEEN THE COUNCIL FOR PROMOTION OF INTERNATIONAL TRADE AND THE FUEL OIL ORGANIZATION.

REPORTER: WHEN WILL THE OIL ARRIVE HERE?

CHARTCHAI: IT DEPENDS ON WHEN WE CAN FIND SHIPS TO TRANSPORT IT.

REPORTER: WHICH SIDE IS FINDING THE SHIPS?

CHARTCHAI: WE HAVE ASKED THEM TO HELP FIND SHIPS ALSO. BOTH SIDES ARE TRYING TO FIND SHIPS AND THE SOONER SHIPS CAN BE FOUND THE BETTER IT WILL BE FOR THAILAND.

REPORTER: WHERE WILL THE OIL BE TAKEN DELIVERY OF?

CHARTCHAI: I CAN'T SAY FOR CERTAIN, BUT I BELIEVE THAT IT WILL MOST PROBABLY BE SOMEWHERE NEAR HAINAN ISLAND.

REPORTER: WHAT METHOD HAVE WE USED IN THE PURCHASE OF THIS CONSIGNMENT OF OIL?

CHARTCHAI: WE OPENED A LETTER OF CREDIT WITH CHINA RESOURCES IN HONG KONG.

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